

Calendar No. 1081

73^D CONGRESS }
2d Session }

SENATE

{ - REPORT
No. 1017

CHANGE OF NAME OF RETAIL LIQUOR DEALERS' STAMP TAX

MAY 10 (calendar day, MAY 16), 1934.—Ordered to be printed

Mr. WALSH, from the Committee on Finance, submitted the following

REPORT

[To accompany H.R. 3768]

The Committee on Finance, to which was referred the bill (H.R. 3768) to change the name of the retail liquor dealers' stamp tax in the case of retail drug stores or pharmacies, having had the same under consideration, report it to the Senate without amendment and recommend that the bill do pass.

A full explanation of the bill is given in House Report No. 197, which is set out herein as follows:

The Committee on Ways and Means, to whom was referred the bill (H.R. 3768) to change the name of the retail liquor dealers' stamp tax in the case of retail drug stores or pharmacies, having had the same under consideration, report it back to the House without amendment and recommend that the bill do pass.

The bill changes the fourth subdivision of section 3244 of the Revised Statutes as amended (U.S.C., title 26, sec. 205 (a)). This change is simply a change of designation of the stamp tax required of drug stores and pharmacies, authorized to sell intoxicating liquors on physicians' prescriptions, from "Retail liquor dealers' stamp tax" to "Medicinal spirits stamp tax."

Since this legislation was first enacted in 1875, those following the profession of pharmacy have objected to the name "Retail liquor dealer" and many hundreds of drug stores have not applied for permits because of the name of the tax. Since the adoption of the eighteenth amendment, the legal sale of liquor is limited exclusively to physicians' prescriptions on Government form 1502.

The National Association of Retail Druggists and most of the State pharmaceutical associations have by resolution taken exception to the designation "Retail liquor dealer" and favor the proposed change. This change would be more in keeping with the character of sales of liquor by drug stores and pharmacies. Furthermore, should the eighteenth amendment be repealed, all places, other than drug stores or pharmacies, where intoxicating liquors may be sold will still be required to use the retail liquor dealers' stamp tax.

An identical bill (H.R. 12843) was favorably reported by the Committee on Ways and Means during the Seventy-second Congress, and with respect to that bill the Treasury Department said, "Since liquors now sold by retail druggists and pharmacists are for medicinal purposes, this Department is of the opinion that the proposed change of designation of the stamp required by subdivision fourth of section 3244 of the Revised Statutes, representing the payment of occupational tax, is a proper one, and therefore favors the passage of the bill."

CHANGE IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, the change made by the bill in subdivision "Fourth" of section 3244 of the Revised Statutes, as amended (U.S.C., title 26, sec. 205 (a); U.S.C., Supp. VI, title 26, secs. 1394 (c) and 1398 (c)), is shown as follows (existing law is printed in roman, new matter proposed to be added to existing law is printed in italics):

"Retail dealers in liquor shall pay \$25. Every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors, otherwise than as hereinafter provided, in less quantities than five wine gallons at the same time, shall be regarded as a retail dealer in liquors. *The tax required to be paid by this paragraph shall, in case of a retail drug store or pharmacy making sales of liquors through a duly licensed pharmacist, be designated as a 'medicinal spirits stamp tax.'*"

